

HENRY, LOWERRE,
JOHNSON, HESS & FREDERICK
ATTORNEYS AT LAW
202 WEST 1st STREET
AUSTIN, TEXAS 78701
(512) 479-8125
FAX (512) 479-8269

MARY E. KELLY
Of Counsel
(512) 474-1082

February 11, 1997

REVISED REQUEST FOR (CONTESTED CASE) HEARING

Ms. Mamie Black
Acting Chief Clerk - MC105
Texas Natural Resource Conservation Commission
P.O. Box 13087
Austin, TX 78711-3087

By Fax and mail

Subject: Application of URI, INC., Permit No. URO0305-001 - Vasquez Mine.

Dear Ms. Black:

In December, I wrote you on behalf of Charlotte Gonzalez to request a contested case hearing on the above referenced application. Ms Gonzalez has asked that I withdraw that request. In its place please substitute this request from another resident of Hebbbronville.

Mr. Ricardo Martinez asks for a hearing on the application.

Mr. Martinez is an affected person. The proposed mining activities of URI will adversely affect his health. He lives near the mine in Hebbbronville. He uses the area around Hebbbronville for recreational activities.

The blowing dusts from the mine activity will adversely affect Mr. Martinez. The release of radiation, heavy metals and other contaminants,, especially combined with the past releases from other uranium mines, will add significantly to his total exposure and that of other residents in the area.

Moreover, the water supply for the City of Hebbbronville is contaminated with high levels of arsenic. Even if the arsenic in Hebbbronville's ground water did not come from the past mining activities, the arsenic levels of exposure in the community are high and further exposures need to be minimized.

This request for hearing is reasonable.

The request for hearing is not based solely on something other than concerns within the jurisdiction of TNRCC.

The mine application is incomplete and inaccurate.

The application does not properly describe the ground water conditions around the mine site nor the potential restoration levels for the groundwater when mining is completed.

Moreover, URI has a history of bad compliance, that has not been described in the TNRCC staff evaluation.

The risks of contamination are increased because of the poor practices of URI.

LAW OFFICE OF JEP HILL

Attorney at Law
(512) 473-3696 voice
(512) 432-3200 facsimile

816 Congress Avenue, Suite 1100
Austin, Texas 78701-2443

Post Office Box 2254
Austin, Texas 78788-2254

August 5, 1997

Dr. Eugenia Brumm, Chief Clerk
Office of the Chief Clerk
Texas Natural Resource
Conservation Commission
P. O. Box 13087 Mail Code 105
Austin, Texas 78711-3087

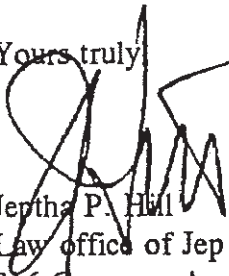
Re: Application of URI, Inc for Permit No.
UR03050-001; TNRCC Docket No. 97-0396-
UIC

Dear Dr. Brumm:

This afternoon, Mr. James Doherty, who represents the Coates Energy Trust in its request for hearing in the above-captioned matter, filed with the Chief Clerk's office a letter withdrawing the hearing request of the Coates Energy Trust in this matter. The withdrawal of the Coates Energy Trust hearing request moots the issues presented by the Applicant's Motion for Rehearing and Motion for Reconsideration which were filed in this proceeding on behalf of URI, Inc. Therefore, URI, Inc. herewith withdraws its Motion for Rehearing and Motion for Reconsideration in this matter.

Thank you for your attention to this matter. Copies of this document have this day been served by hand delivery or facsimile transmission as stated in the attached certificate of service.

Yours truly


Jeptha P. Hill
Law office of Jep Hill
816 Congress Avenue, Suite 1100
Austin, Texas 78701
512-437-3696 voice
512-432-3200 facsimile
Attorney for the Applicant,
URI, INC.

AUG 07 1997

CHIEF CLERKS OFFICE

1997 AUG - 6 AM 9:44

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



RECEIVED
MAY 08 1997

NOTICE OF APPLICATION FOR AQUIFER EXEMPTION

URI, INC., 12750 Merit Drive, Suite 1020 LB12, Dallas, Texas 75251 has applied to the Texas Natural Resource Conservation Commission (TNRCC) for major amendment to Class III Underground Injection Control Permit No. UR003050-001 which authorizes in situ uranium mining at its Vasquez Project. The mine is located in Duval County, on the north side of Highway 359, ten miles south-southeast of Bruni and 50 miles east of Laredo. The production zone is approximately 45 to 70 feet thick in the Oakville Sandstone at a depth of 150 feet below land surface and 480 feet below sea level. No surface discharge is to be authorized. Notice of the Application for Amendment to an In Situ Uranium Mine Permit was previously published on November 27, 1996 in the Hebbronville View, a weekly newspaper of general circulation that includes Duval County, Texas.

The portion of the aquifer associated with this permit must be exempted per 40 CFR §§144.7, 145.32, and 146.4, concerning underground sources of drinking water (USDW) and aquifer exemptions. To meet this requirement, the State of Texas will submit to the U.S. Environmental Protection Agency an application to revise the State's Underground Injection Control (UIC) program to reflect an exemption of the relevant portion of the aquifer associated with the permit.

An aquifer or portion of an aquifer may be designated as an exempted aquifer according to 31 TAC § 331.13 until exempt status is removed by the commission, if it does not currently serve as a source of drinking water for human consumption and it will not in the future serve as a source of drinking water for human consumption because it is (a) mineral, hydrocarbon or geothermal energy bearing with production capability, (b) at a depth or location which makes recovery of water for drinking water purposes economically or technically impractical, (c) so contaminated that it would be economically or technologically impractical to render that water fit for human consumption; or (d) it is located above a class III well mining area subject to subsidence or catastrophic collapse. The applicant has demonstrated that the aquifer contains commercially producible minerals by expending considerable resources to obtain a mineral lease, obtaining a mining permit, and conducting exploration drilling.

The Executive Director of the Texas Natural Resource Conservation Commission will initiate action to obtain an aquifer exemption unless a written hearing request is filed by an affected person within 30 days of newspaper publication of this notice. To request a hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the applicant and the permit number; (3) the statement "I/we request a public hearing"; (4) a brief description of how you would be adversely affected by the granting of the exemption in a way not common to the general public; (5) the location of your property relative to the applicant's operations; and (6) your proposed adjustments which would satisfy your concerns and cause you to withdraw your request for hearing.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



AN INTERIM ORDER concerning the application by URI, Inc. for Permit No. UR03050-001; Docket No. 97-0396-UIC

On June 25, 1997, the Texas Natural Resource Conservation Commission (Commission) considered requests for hearing filed by Coates Energy Trust and Ricardo Martinez concerning the application by URI, Inc. for Permit No. UR03050-001. The requests for hearing were evaluated under the requirements in the applicable statutes and Commission rules, including 30 Tex. Admin. Code Chapter 55, Subchapter B.

After considering the written filings, the Commission determined that the request for hearing filed by Coates Energy Trust satisfied the requirements of applicable law, including Commission Rule 55.27. The Commission further determined that the request filed by Mr. Martinez was not timely filed. Accordingly, the Commission determined to grant the request of Coates Energy Trust and to deny the request of Mr. Martinez.

The Commission referred the application to the State Office of Administrative Hearings (SOAH) and requested that SOAH proceed with a hearing on the application and submit a recommendation on whether the Commission should approve the application. The Commission directed that the matter be referred first to the Office of Alternative Dispute Resolution for four weeks to allow the applicant and Coates Energy Trust to participate in formal mediation with the assistance of that office. The Director of the Office of Alternative Dispute Resolution may extend the four week period by two additional weeks to continue the mediation at his discretion.

GEORGE C. NEALE
MES M. DOHERTY

GEORGE C. NEALE
ATTORNEYS AT LAW
500 WEST SIXTEENTH STREET, SUITE 110
AUSTIN, TEXAS 78701
MAILING ADDRESS:
POST OFFICE BOX 1945
AUSTIN, TEXAS 78767

TELEPHONE (512) 477-1976
FACSIMILE (512) 477-1907

August 5, 1997

VIA HAND DELIVERY

Dr. Eugenia Brumm, Chief Clerk
Office of the Chief Clerk
Texas Natural Resource Conservation Commission
P. O. Box 13087
Mail Code 105
Austin, Texas 78711-3087

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION
1997 AUG -5 PM 3:08
CHIEF CLERKS OFFICE

RE: Application of URI, Inc. for Permit No. UR-03050-001; TNRCC Docket No. 97-0396-UIC

Dear Dr. Brumm:

I am attorney for Barry Coates Roberts and George Stieren, Trustees, Coates Energy Trust in connection with the above-referenced matter. Please be advised that as a result of the mediation conducted by Mr. Geoff Petrov of the Alternative Dispute Resolution Office, the interest of Coates in this matter has been settled. Accordingly, I am herewith withdrawing the request for hearing in this matter made by Barry Coates Roberts and George L. Stieren, Trustees, Coates Energy Trust, and Coates' opposition to the application should be considered withdrawn. Copies of this correspondence are being forwarded via telefax to all known parties of record.

Very truly yours,

James M. Doherty
James M. Doherty

JMD/cjm

cc: Mr. Jep Hill
Attorney at Law
816 Congress Avenue, Ste. 1100
Austin, Texas 78701
432-3200 Facsimile

Mr. Richard Lowerre
Henry, Lowerre, Johnson, Hess & Frederick
202 W. 17th Street
Austin, Texas 78701
479-8269 Facsimile

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



NOTICE OF APPLICATION FOR AN IN SITU URANIUM MINE PERMIT

URI, INC., 12750 Merit Drive, Suite 1020 LB12, Dallas, Texas 75251 has applied to the Texas Natural Resource Conservation Commission (TNRCC) for a Class III Underground Injection Control Permit (Proposed Permit No. UR03050-001) to authorize in situ uranium mining at its Vasquez Project. The permit area of this site is 841.66 acres and contains one proposed production area of approximately 454 acres. The production zone is approximately 45 to 70 feet thick in the Oakville Sandstone at a depth of 150 feet below land surface and 480 feet below sea level. The mine is located in Duval County on the north side of Highway 359, ten miles south-southeast of Bruni and 50 miles east of Laredo.

The Executive Director of the TNRCC has prepared a draft permit which, if approved, would authorize the operation of the in situ uranium mine under the terms described above. The application was submitted on May 14, 1991. A copy of the draft permit is available for inspection in the Office of the Chief Clerk, TNRCC, 12100 Park 35 Circle, Austin, Texas 78753. The Executive Director has also prepared a summary of the applicant's compliance history at this facility, copies of which are available upon request.

The Executive Director will issue the permit unless a written hearing request is filed within 30 days of newspaper publication of this notice. To request a hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the applicant and the permit number; (3) the statement "I/we request a public hearing"; (4) a brief description of how you would be adversely affected by the granting of the application in a way not common to the general public; (5) the location of your property relative to the applicant's operations; and (6) your proposed adjustments to the application/permit which would satisfy your concerns and cause you to withdraw your request for hearing.

If a hearing request is filed, the Executive Director will not issue the permit and will forward the application and hearing request to the TNRCC Commissioners for their consideration at a scheduled Commission meeting. If a hearing is held, it will be a legal proceeding similar to civil trials in state district court.

Requests for hearing on this application must be submitted in writing during the 30-day notice period to the Chief Clerk's Office, MC 105, TNRCC, P.O. Box 13087, Austin, TX 78711-3087. Written public comments may also be submitted to the Chief Clerk's Office during the notice period. For information concerning technical aspects of the permit, contact John Santos, at MC 131, the same address. For information concerning hearing procedures or citizen participation, contact Blas Coy, Public Interest Counsel, MC 103, the same address. Individual members of the public who wish to inquire about the information contained in this notice or to inquire about other agency permit applications or permitting processes should call the TNRCC Office of Public Assistance, Toll Free, at 1-800-687-4040.

Issued this 30th day of October, 1996.

(SEAL)

OCT 31 1996

Mamie M. Black

Mamie M. Black, Acting Chief Clerk
Texas Natural Resource Conservation Commission

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

August 15, 1997

ITEMS FOR EXECUTIVE DIRECTOR SIGNATURE

HAZARDOUS WASTE PERMITS

Item 16.

URI, INC. for a Class III Underground Injection Control Permit (Proposed Permit No. URO3050-001) to authorize in situ uranium mining at its Vasquez Project. The permit area of this site is 841.66 acres and contains one proposed production area of approximately 454 acres. The production zone is approximately 45 to 70 feet thick in the Oakville Sandstone at a depth of 150 feet below land surface and 480 feet below sea level. The mine is located in Duval County on the north side of Highway 359, ten miles south-southeast of Bruni and 50 miles east Laredo.

SIGNED AUGUST 15, 1997